Clerk of the House of Representatives
Legislative Resource Center
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Washington, DC 20515

Secretary of the Senate
Office of Public Records
232 Hart Building
Washington, DC 20510

SECRETARY OF THE SENATE
99 AUG 11 AM 10:36
H.O.

LOBBYING REPORT

Lobbying Disclosure Act of 1995 (Section 5) - **All Filers Are Required To Complete This Page**

1. Registrant Name
BAKER HEALTHCARE Consulting, Inc.

2. Address ☐ Check if different than previously reported
Suite 2000, Box 82058, One American Square

3. Principal Place of Business (if different from line 2)
City: Indianapolis State/Zip (or Country) IN 46282

4. Contact Name: Dale Baker Telephone: 317-631-3613 E-mail (optional):

5. Senate ID #: 5164

7. Client Name ☐ Self
KATHERINE Shaw Bethea Hospital

6. House ID #: 33256015

TYPE OF REPORT 8. Year 1999 Midyear (January 1-June 30) ☑ **OR** Year End (July 1-December 31) ☐

9. Check if this filing amends a previously filed version of this report ☐

10. Check if this is a Termination Report ☐ ⇨ Termination Date_____ 11. No Lobbying Activity ☐

INCOME OR EXPENSES - Complete Either Line 12 **OR** Line 13

12. Lobbying Firms

INCOME relating to lobbying activities for this reporting period was:

Less than $10,000 ☑

$10,000 or more ☐ ⇨ $_____
Income (nearest $20,000)

Provide a good faith estimate, rounded to the nearest $20,000, of all lobbying related income from the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).

13. Organizations

EXPENSES relating to lobbying activities for this reporting period were:

Less than $10,000 ☐

$10,000 or more ☐ ⇨ $_____
Expenses (nearest $20,000)

14. REPORTING METHOD. Check box to indicate expense accounting method. See instructions for description of options.

☐ **Method A.** Reporting amounts using LDA definitions only

☐ **Method B.** Reporting amounts under section 6033(b)(8)of the Internal Revenue Code

☐ **Method C.** Reporting amounts under section 162(e) of the Internal Revenue Code

Signature Dale E. Baker 8-6-99

Printed Name and Title DALE E. BAKER, President

LD-2 (REV. 6/98)

PAGE 1 of ____

Registrant Name Bacon Healthcare Consulting Client Name Katherine Shaw Bethea Hosp.

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. **Using a separate page for each code,** provide information as requested. Attach additional page(s) as needed.

15. General issue area code MMM (one per page)

16. Specific lobbying issues

See attachment.

17. House(s) of Congress and Federal agencies contacted ☐ Check if None

Senate
House of Representatives

18. Name of each individual who acted as a lobbyist in this issue area

Name	Covered Official Position (if applicable)	New
DALE E. BAKER		☐
		☐
		☐
		☐
		☐
		☐
		☐
		☐

19. Interest of each foreign entity in the specific issues listed on line 16 above ☒ Check if None

Signature Dale E. Baker Date 8-6-99

Printed Name and Title DALE E. BAKER, President

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Registrant Name Baker Healthcare Consulting Client Name Katherine Shaw Bethea Hosp.

Information Update Page - **Complete ONLY where registration information has changed.**

20. Client new address

21. Client new principal place of business (if different from line 20)

City State/Zip (or Country)

22. New general description of client's business or activities

LOBBYIST UPDATE

23. Name of each previously reported individual who is **no longer** expected to act as a lobbyist for the client

ISSUE UPDATE

24. General lobbying issues previously reported that **no longer** pertain

AFFILIATED ORGANIZATIONS

25. Add the following affiliated organization(s)

Name	Address	Principal Place of Business (city and state or country)

26. Name of each previously reported organization that is **no longer** affiliated with the registrant or client

FOREIGN ENTITIES

27. Add the following foreign entities

Name	Address	Principal place of business (city and state or country)	Amount of contribution for lobbying activities	Ownership percentage in client

28. Name of each previously reported foreign entity that **no longer** owns, or controls, or is affiliated with the registrant, client or affiliated organization

Signature Dale E. Baker Date 8-6-99

Printed Name and Title DALE E. BAKER, President

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THE 90% OCCUPATIONAL MIX GROUP
MEDICARE GEOGRAPHIC RECLASSIFICATION ISSUE

Executive Summary

In 1989 Congress passed legislation establishing the Medicare Geographic Classification Review Board. Since FFY 1992, hospitals have had the opportunity to seek the higher urban wage index of the nearest metropolitan area if a rural facility met certain annual statistical criteria. The basic test allows hospitals to be reclassified if the hospital's average hourly wage was equal to 84% or more of a nearby Metropolitan Statistical Area (MSA). But if a rural hospital's hourly wage is less than 84% of the nearby Metro area, Congress mandated that an "occupational mix adjustment" criteria, an alternative to the 84% criteria, could be used. This occupational mix adjustment would account for any impact on the rural hospital's average hourly wage caused by using a lower skill mix than nearby urban hospitals. The lower skill mix could be caused by either the inability of the hospital to find health professionals in their area or the hospital's financial need to substitute lower paid individuals and utilize fewer professionals. Since rural hospitals are paid less than urban hospitals, many rural hospitals have no choice and must substitute lower paid workers.

The occupational mix criteria recomputes the rural hospital's average hourly wage assuming the rural hospital utilized the same mix of professionals and other hospital employee groups as the nearby urban areas. If the rural hospital's recomputed average hourly wage is 90% or more of the average hourly wage of the urban hospitals then the criteria was met and the hospital could be reclassified. This adjustment eliminated the bias of a rural hospital's lower skill mix of employees from the reclassification criteria. The American Hospital Association (AHA) collected this occupational mix data but as a result of downsizing, they discontinued collecting this data. Because HCFA did not have any other source of data, the 90% criteria was eliminated by regulation on August 29, 1997.

On August 5, 1997, President Clinton signed the Balanced Budget Act (BBA) of 1997. This included a provision to improve Medicare payment to a key group of rural hospitals known as Rural Referral Centers (RRCs). These are large urban like facilities that provide primary, secondary, and tertiary care to rural residents. The BBA exempted RRCs from an onerous reclassification criteria that had prevented approximately fifty percent of the RRCs from obtaining a wage index reclassification to a nearby metropolitan area. This BBA provision recognizes that these sophisticated hospitals are in competition with urban medical centers for health professionals and therefore these key facilities must be paid an urban wage index rather than the lower rural wage index. HCFA eliminated the 90% criteria three weeks after legislation was enacted to protect these same hospitals!

We request legislation that would require HCFA to reinstate the 90% criteria using the no longer current AHA data until alternative sources of occupational mix data are developed. MSA occupational mix data changes very slowly and it would be reasonable to use older data for this purpose. Adoption of the legislation would improve payment equity to the RRCs and favorably impact a small number of other rural hospitals. The proposal is budget neutral and would shift an inconsequential amount from the 4,975 US hospitals to approximately thirty-five hospitals.

Hospital representatives from at least nine states contacted their legislators on this issue in December of 1997 and January of 1998. A meeting with HCFA executives and an AHA representative on April 1, 1998 ruled out administrative resolution of this issue. In July of 1998 a meeting with the Senate Majority Leader's staff confirmed there would be no legislative vehicle available for the 105th Congress and we were encouraged to work with the 106th Congress on this matter.

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